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AUTHOR	Lawton, Stephen B.
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ABSTRACT

Both the United States and Canadian provinces have moved to enhance educational choice within their educational systems to improve educational productivity. In spite of this similarity of purpose and means, the two nations are taking very different approaches. Most Canadian provinces have moved to full provincial financing of schools and to the allocation of school choice based on group rights assigned to French-speaking and English-speaking citizens. In contrast, the United States has decentralized authority via charter schools, vouchers, or tax deductions, thereby enhancing individual rights. Both nations also have adopted federal and state/provincial assessment systems. The consequences of these actions are still unfolding and merit continuing assessment of outcomes. Eventual assessment may involve the educational, financial, and political success of two distinctive models, one driven by centralized institutions designed to facilitate the delivery of educational services to groups that possess constitutionally protected educational rights, and the other driven by markets that provide local educational services at public expense. (Contains 23 references and 8 figures.) (RT)

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National Center for the Study of Privatization in Education

Teachers College, Columbia University

Educational Finance and School Choice in the United States and Canada

Stephen B. Lawton*

March 2001

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Abstract – Both U.S. states and Canadian provinces have moved to enhance educational choice within their educational systems in order to improve educational productivity. In spite of this similarity of purpose and means, the two nations are taking very different approaches. Most Canadian provinces have moved to full provincial financing of schools and to the allocation of school choice based on group rights assigned to French-speaking and English-speaking citizens. In contrast, U.S. states have decentralized authority via charter schools, vouchers or tax deductions, thereby enhancing individual rights. Both nations also have adopted federal and state/provincial assessment systems. Eventually, we may be able to assess the educational, financial and political success of two distinctive models, one driven by centralized institutions and the other by markets.

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* Stephen B. Lawton is Professor in the Education Leadership Department at Northern Arizona University.

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The Occasional Paper Series of the National Center for the Study of Privatization in Education (NCSPE) is designed to promote dialogue about the many facets of privatization in education. The subject matter of the papers is diverse, including research reviews and original research on vouchers, charter schools, home schooling, and educational management organizations. The papers are grounded in a range of disciplinary and methodological approaches. The views presented in these papers are those of the authors and do not necessarily represent the official views of the NCSPE.

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NCSPE
Box 181
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525 W. 120th Street
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(212) 678-3259 (telephone)
(212) 678-3474 (fax)
ncspe@columbia.edu
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Introduction

In the past decade, the United States and Canada have taken contrasting approaches to funding school choice at the elementary and secondary education levels, with the United States expanding individual rights and Canada expanding collective rights. The consequences of these actions are still unfolding and merit continuing assessment to determine the outcomes of each approach.

A number of topics bear upon school finance and school choice: the constitutional allocation of responsibility for education, the structure of school systems, the mechanism created for funding schools, the nature of the rights of citizens, and evolving legal doctrines including the separation of church and state. In this brief paper, these matters necessarily are treated in a rather cursory fashion. Single court cases touching on minor issues frequently involve sheaves of paper measured by the yard (or meter). Invariably, exceptions exist to the generalizations that follow, but these exceptions do not overrule the primary patterns and conclusions.

Financing Schools

In both the U.S. and Canada, federal constitutions allocate responsibility for education to the states and provinces. In the U.S. the assignment is implied by the Tenth Amendment – "The powers not delegated to the United States by the Constitution … are reserved to the States respectively, or to the people" – while in Canada, the assignment is specific – "In and for each Province the [provincial] Legislature may exclusively make Laws in relation to Education, subject and according to the following provisions…" (Section 93, *Constitution Act, 1867*).

Figure 1 portrays the four policy options that face governments: (i) public funding and public operation, (ii) private funding and government operation, (iii) public funding and private operation, and (iv) private funding and private operation. Today, the vast majority of

schools fall into the first category; most private or independent schools fall into the fourth category. Vouchers, grants, tax deductions or tax credits in support of private schools fall into the third category and draw most attention in contemporary discussions of choice in education, although property tax relief for private, non-profit schools has long been available under English common law as such schools are considered, along with churches and charities, as institutions in the public interest.

While many private schools once received public support in both the U.S. and Canada, by the late 19th century states and provinces generally had adopted legislation or, in U.S. states, constitutional amendments, creating publicly funded and operated school systems. Operation of schools, however, was delegated to local school districts, boards of education, towns, and parishes, governed by elected or appointed school boards. Property taxes initially financed the operation of school districts, although increased assistance from state, provincial, and eventually federal governments emerged during the 20th century.

Figures 2 and 3 contrast the constitutional allocation of authority among the three levels of government in the U.S. and Canada (federal, state/provincial, local) with the approximate percentage of educational funding provided by each level (Salmon, Dawson, Lawton & Johns, 1988; Lawton, 1996). Notable is the decision, on average, of U.S. states to endorse more fiscal responsibly at the local and federal levels than do provinces, which assume the primary responsibility for funding elementary and secondary schools in Canada. Figure 4 (Salmon et. al, 1988) illustrates a model for classifying school grants according to standard terminology; e.g., flat grants, equalization grants, etc.

Four key values drive school finance and governance systems: effectiveness, efficiency, equity and autonomy (Lawton, 1996; Swanson & King, 1997). Effectiveness is concerned with fulfilling learning objectives set by governing authorities and parents;

efficiency with the minimization of the cost of operation consistent with an acceptable level of effectiveness; equity with both the allocation of resources (inputs) and the distribution of achievement (outputs); and autonomy with the freedom of local agencies, families and individuals to pursue independent objectives and strategies. Not all values can be achieved fully in any situation and tradeoffs must be made. Figure 5 illustrates a model for comparing the tradeoff between equity and autonomy acceptable to Americans and Canadians as they pursue educational efficiency and effectiveness (Lawton, 1979). Canadians demonstrate a greater willingness than Americans to trade off autonomy in pursuit of equity, a contrast that can be traced to the political values in ascendance at the time the two nations formed (Lawton, 1979). Canadians tend to defer to authority – they were after all loyal to the Crown – in return for a relatively equal allocation of government services, including education.

The net result of U.S. and Canadian differences, as far as educational finance is concerned, is illustrated in Figures 6 and 7. The first provides coefficients of variation for district expenditures for U.S. states and Canadian provinces; the second indicates the average levels of expenditures by state and province adjusted for the different purchasing power of the two nations' currencies (Lawton, 1979; 1998). Although the data are for different years, they reflect a consistent finding: less disparity (and hence greater equity) within Canadian provinces than in U.S. states, but overall lower average expenditure in Canada, the latter reflecting, at least in part, Canada's lower Gross Domestic Product per capita. Canada actually allocates a somewhat higher percentage of its GDP to all levels of education than does the U.S. – 7.1 per cent vs. 5.3 per cent (Lawton, 1996, p. 132).

Educational Effectiveness

Both the U.S. and Canada entered the 1980s concerned about the effectiveness of their educational systems. At a time of difficult international competition, both countries sought to raise the quality of education by increasing academic standards and ensuring

accountability through systems of international, nation-wide, state-wide and province-wide testing. Increased school choice was seen as one measure to improve effectiveness by bringing the market to bear on schooling and shifting the locus of control from professional bureaucracies to parents (Lawton, 1992a). Numerous reports comparing the performance of students in Canadian provinces and American states with that of students elsewhere typically placed the U.S. somewhat below the median and Canada at the median (Economic Council of Canada, 1992).

However, while effectiveness is a key value and academic performance of students a primary purpose of schooling, they are not the focus of this paper. In many ways, our systems of monitoring educational performance are still relatively underdeveloped, focusing too much on sets of test scores of often-questionable validity and reliability.

Individual and Collective Rights

The orientations that the U.S. and Canada take towards educational choice have roots in the manner their respective constitutions address human rights. A four-way classification of rights is helpful in understanding these differences (Figure 8). In particular, constitutional rights can be either negative or positive, and can be conferred upon either individuals or groups.

Negative rights are rules that prohibit government from acting in a certain manner, whereas positive rights require that government confer some benefit or service at public expense (Gairdner, 1990). When Americans think of their "constitutional rights," they probably think of those listed in the U.S. *Bill of Rights* – the first ten amendments to the Constitution – beginning with the *First Amendment*:

> "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

This amendment is a classical statement of some fundamental negative rights of individuals: Congress shall not act in a manner that interferes with the individual's freedom. The Canadian *Charter of Rights and Freedoms* includes a similar statement:

> "Everyone has the following fundamental freedoms: (a) freedom of conscience and religion; (b) freedom of thought, belief, opinion and expression, including freedom of the press and other media of communications (Part I, Section 2)."

The Canadian *Charter*, in contrast to that of the U.S., also includes a series of positive rights; for example, Part III, Equalization and Regional Disparities, commits,

> "Parliament and the legislatures, together with the government of Canada and the provincial governments, … to (a) promoting equal opportunities for the well-being of Canadians; (b) furthering economic development to reduce disparity in opportunities; and (c) providing essential public services of reasonable quality to all Canadians."

To this end, the government of Canada is to make "equalization payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation." The nearest parallels to these positive rights in the U.S. are referred to as legislative entitlements; as such, they are permissive rather than constitutionally guaranteed fundamental rights.

Almost without exception, the U.S. *Constitution* and *Bill of Rights* were restricted to individual rights, a stance reflecting the liberal philosophy of the Enlightenment. Again in contrast, the Canadian *Constitution* and *Charter* includes extensive group or collective rights conferred upon particular groups. Section 93 of the *Constitution Act, 1867*, which allocated responsibility for education to the provinces, did so with one caveat: "Where in any Province a System Separate or Dissentient Schools exists by Law…, an Appeal shall lie to the Governor General in Council from any Act or Decision of any Provincial Authority

affecting any Right or Privilege of the Protestant or Roman Catholic Minority of the Queen's Subjects in relation to Education." In practice, five provinces came to have protected systems of education for religious minorities, and the din of conflict over these collective rights in one province or another echoes to this day.

Section 23 of *Charter of Rights and Freedoms*, which came into force in 1985, extends the educational rights along linguistic lines across Canada:

> "Citizen of Canada (a) whose first language … is that of the English or French minority population of the province in which they reside, or (b) who have received their primary school instruction in Canada in English or French … have the right to have their children receive primary and secondary instruction in that language in that province … (3) (b) in minority language facilities provided out of public funds."

This positive collective right granted by Section 23 is still being implemented across Canada. Since 1995 both Newfoundland and Quebec have abolished their denominational systems and replaced them with large school districts aligned along linguistic lines and six other provinces have created or are creating one of more French-language school districts to accommodate the French-speaking minority. New Brunswick, the only officially bi-lingual province, aligned its school districts along linguistic lines in the 1960s but chose to abolish elected school boards in the mid-1990s. In that province, a linguistically bifurcated department of education administers all schools with some advice from school-level councils and their representatives on regional and central committees (New Brunswick Department of Education, 2000).

Native peoples receive implicit collective rights in the constitutions of both the United States and Canada, although the nature of the relationships between the respective federal governments and these groups are vague. Clause 8.3 of the American *Constitution* states, "Congress shall have the Power [to] regulate Commerce with foreign Nations, and

among the several States, and with the Indian Tribes." Elsewhere, "Indians not taxed" were excluded from the calculation of population for allocation of congressional seats and from voting in federal elections. Clause 91(24) of the Canadian *Constitution* grants "exclusive Legislative Authority of the Parliament of Canada to all Matters [concerned with] Indians, and Lands reserved for the Indians." Part II, Section 35 of the Canadian *Charter* recognizes "existing aboriginal and treaty rights," with "aboriginal" defined to include "Indian, Inuit and Métis peoples of Canada." Thus, in both nations the federal governments are responsible for relations with the indigenous peoples and, hence, for the any call upon government by these groups for the provision of educational services.

The status of educational services provided to and by Indians, to use the term of the U.S. and Canadian constitutions, deserves inclusion in a paper on school finance and choice. Nevertheless, the distinct set of issues involved in Indian education (see the Alberta task force on Native education at http://ednet.edc.gov.ab.ca/natedpolicy/prod/index.html) place it apart from schooling provided by state and provincial educational systems for the general public; it is therefore beyond the scope of the present paper.

Choice in Schooling

Educational choice exists at several different levels. First, there is choice among districts within the same state or province; second, there is choice of schools within districts; finally, there is choice of schools outside of districts, including charter schools and private schools. Each option, which may exist as a right or privilege, impacts both students and educators; as well, the opportunities to choose may not be allocated in a uniform manner.

Choice among Districts

Choice among districts is more complex than might be suggested by the idea that a family may choose to live in a community with good schools, which is probably the most common manner of choosing schools in both the United States and Canada. In Canada,

however, two, three or four types of school districts are found: all provinces operate parallel English- and French-language systems, while Ontario, Saskatchewan and Alberta also provide constitutionally guaranteed, publicly funded Roman Catholic school districts. Originally, the English-language public systems were Protestant in orientation, but changes in public values, provincial legislation, and court decisions have transformed them into secular institutions open to all without discrimination. The French-language districts were created as secular institutions, although in many cases they replaced privately or publicly funded French-language Roman Catholic school systems.

Although the three types of school districts in Canada are publicly funded, not all students possess the right to attend each type of school. In Ontario, for example, a French-speaking Roman Catholic child with Section 23 rights has four options: the French-language Roman Catholic system, the French-language public system, the English Roman Catholic system or the English public system. A non-Catholic francophone has three choices, non-francophone Roman Catholic child has two -- the English Roman Catholic and public school systems. All other students have no choice at all: they must attend an English-language public school or arrange for private schooling. In Quebec, the situation less complex: all *except* Anglophones with Section 23 rights must attend the public French-language system; in particular, all immigrants, including those from English-speaking countries such as the United States, must attend the French-language system – or arrange for a private education.

Educators also face an asymmetrical pattern of opportunity. For example, the English- and French-public systems may not discriminate on the basis of religion, while Roman Catholic districts have the constitutionally protected right to do so. In practice Roman Catholic school districts request letters of reference from the pastors of job

applicants and expect employees to adhere to a Catholic lifestyle. Those violating this expectation may be subject to dismissal for "denominational cause" (Lawton and Wignall, 1989).

Out-of-district enrollment is another form of choosing school districts. In the late 1980s, Minnesota introduced policies in which state dollars would follow students to other school districts or to post-secondary institutions (Mazzoni & Sullivan, 1990). Also, some New England towns have long funded students to attend out-of-town schools. In Canada, Ontario, to use one example, allows out-of-district attendance without fee if a particular program is not available in the student's home district; otherwise, the student may be charged a fee differential to reflect the higher cost, if any, of the program selected. Out- of-district may refer to a geographic decision – attendance in a neighboring district – or a coterminous district (e.g., a Roman Catholic district for a public-school student). All such choices operate on an as-available basis.

Choice within Districts

Magnet or alternative schools that are open to all students, albeit on a competitive or lottery basis, are found in many U.S. and Canadian school districts. Secondary schools for the arts, technology and science institutes, and uniformed academies offering the International Baccalaureate are popular, although sometimes their creation is accompanied by concern about elitism. Alternative elementary schools within public systems may be less common, although special programs for the gifted are frequent in both nations. Typically, such programs require attendance outside of the regular attendance area and subsidized transportation may or may not be available. French-immersion and extended-French programs are the most widespread optional programs in Canada. Created in the wake of the adoption of *The Official Languages Act* in 1967 that required Canada's federal government to provide services in both French and English across Canada, these alternative programs

usually admit students at Kindergarten (immersion) or grades 4 or 7 (extended and late-immersion French). Admission to extended and late immersion French is selective, requiring adequate test scores and positive recommendations from a student's French-language teacher and school principal. One school district supervisor of languages remarked, at a public meeting, that the extended-French program was "like a private school in the public system." A parent put it more bluntly: "It's the only way for a child to avoid the riff raff at middle school."

Open enrollment or alternative attendance, as it is referred to in Canada, is a choice policy adopted by a number of school districts on both sides of the border. It allows students to attend schools out of their attendance area with transportation being provided by families. In Metropolitan Toronto in the early 1990s five percent of elementary students and eight per cent of secondary students were attending schools out of their home attendance area. District records made no distinction between open-enrollment students attending magnet schools and those choosing another regular school as a matter of personal preference (e.g., because it was closer to a parent's place of work.) Less than one per cent of all students were fee-paying from outside of Metropolitan Toronto (Lawton, 1992b, p. 198).

Choice Outside of Districts

Choices outside of school districts include charter schools, private schools supported in part or in full by public funds, associated schools, and private schools that receive no direct funds from. The number of actual and potential arrangements is virtually endless; each charter school, for example, has a unique charter developed under laws and regulations specific to its host state or province. Private schools may benefit from direct grants from government, tax deductions or credits available to parents or from indirect support through exemptions to property, sales, and other taxes. Associated schools, a category perhaps unique to Alberta, are private schools that, with the approval of their own governing body

and that of a public or Roman Catholic school board, may associate with the publicly funded board and receive substantial administrative and curricular support. Alberta's Edmonton Public School Board offers more than 25 alternative programs through both public and associated schools, including traditional Christian, Jewish, and Native peoples options (http://districtsite.epsb.edmonton.ab.ca/index.cfm).

Charter schools, initially introduced by Minnesota in 1992, have been adopted by at least 37 states but only one province, Alberta, which has ten such schools (Alberta Learning, 2000). Although not an early adopter, Arizona has one of the greatest numbers of charter schools among the U.S. states. In both nations, charter schools are secular institutions dedicated to a particular vision of education; they usually receive full operating funding from the state, province or local school district. However, little or no capital funding is provided, creating a situation in which a disproportionate share of their budget is allocated to rent (Bosetti, 2000).

Half of Canada's ten provinces provide some funding to private schools, two for historic reasons (Saskatchewan and Quebec), one for reasons of equity (Alberta), one as a response to a strong political coalition and sympathetic government (British Columbia), and one to accommodate unfulfilled constitutional obligations (Manitoba). A loose coalition of traditional Christian and Jewish schools has pursued public funding or increased tax deductions or credits in Ontario, launching cases that have reached the Supreme Court of Canada (*Adler v. Ontario* [1996] 3 S.C.R.) and the United Nation's Human Rights Committee (*National Post*, 2000; Csillag, 2000). Their key argument is that support of one religious system -- that of Roman Catholics -- and not others violates both the Canadian *Charter* and the United Nations *Covenant on Civil and Political Rights,* to which Canada is a signatory. They have lost all lawsuits within Canada and, although successful at the UN, they saw the UN

decision dismissed by federal and provincial governments as irrelevant to Ontario's unique situation.

British Columbia's 1977 adoption of partial funding for independent schools created a laboratory for investigating the impact of public funds on private schools (Downey, 1979). Public grants tended to wean private schools from parents' financial support and commitment while increasing the influence and salaries of teachers. A similar phenomenon occurred when Ontario's private Roman Catholic secondary schools were transferred to the province's Roman Catholic separate school system in the mid-1980s. The adoption of secular values by some teachers has sometimes led to conflict with both Church authorities and lay school trustees who wish to adhere to church dogma.

Canada's tax laws allow parents with children in private religious schools to deduct the portion of the tuition related to religious instruction but not to academic instruction. Tax authorities have disallowed the practice of parents deducting "charitable" contributions to private school foundations in exchange for free or reduced tuition. On the other hand, deductions are allowed for post-secondary tuition and child day care.

McCarthy (2000) reviews U.S. court decisions related to vouchers, tax deductions, tax credits and other instruments for the private provision of education. She suggests that the U.S. Supreme Court is moving away from its earlier interpretation holding that the First Amendment erected "a wall of separation between church and state" (p. 4) and is adopting a "more accommodationistic posture. For example, in 1983 the Supreme Court upheld a Minnesota law allowing parents of public or private school students to claim limited state income tax deduction for educational expenses" (p. 6). As well, it declined to review a 1999 Arizona Supreme Court decision upholding a state law authorizing "a tax credit up to $500 for donations to school tuition organizations to scholarships to enable students to attend

private schools" (p. 15). She questions whether the Court would uphold publicly funded vouchers for private school attendance if these were only offered to private school students, but indicates vouchers restricted to students in "deficient" public schools might be upheld. With "21 states ... contemplating some type of voucher proposal, and 18 states ... looking at provisions that would allow tax breaks for parents to send their children to private schools" (p. 1), it appears direct and indirect public support for private education will be debated and contested for sometime in the U.S. as in Canada.

Conclusion

Gurwitz (1982) distinguishes two contrasting models for distributing educational services: "The *social welfare approach* focuses on education as a public good and analyzes the way in which a centralized government would allocate schooling. The *local choice approach* views education essentially as a private good ... [that is] allocated by ... local school districts" (p. 25; italics added for emphasis). If we accept this distinction, then a comparison of the status of school choice in the U.S. and Canada suggests that Canada has moved increasingly in the direction of a social welfare approach while the U.S. has extended local choice beyond choice of school districts to choice of charter schools and, to a modest degree, private schools. Canada's provinces have embraced a model for greater centralization by provincializing school finance in seven instances, provincializing collective bargaining with teachers also in seven provinces, and forming larger school districts split along linguistic and, in three cases, religious lines. Centralization appears to facilitate the delivery educational services to groups (French, English, and Roman Catholic) that possess constitutionally protected educational rights. Consistent levels of funding facilitate the implementation of a uniform, province-wide allocation of resources, reducing cries of inequitable treatment by groups living in the same community that, in the past, have had unequal access to property tax revenue.

The U.S. approach, unlike that of Canada, appears to value autonomy over equity, fostering a fundamental re-invention of the mode for providing local educational services at public expense. Gurwitz reminds readers that the justification of local educational agencies "derives from the ideological foundation of [American] … system as best expressed in *The Federalist Papers*" (p. 102). Gurwitz suggest that Alexander Hamilton's arguments in Paper No. 17 "concerning the protection of local interests makes as much sense with regard to relations between state and local governments as between federal and state governments." Such a view is very different from that of the Supreme Court of Canada in a case brought by a coalition of Ontario school boards, teacher and parents groups that sought to regain school districts' power to tax. The Court's 9-0 ruling "dashed the hopes [of those] who believed that the province violated an entrenched, 145-year-old right to tailor education to local needs" (Makin, March 8, 2001). Liz Sandals, president of the Ontario Public School Boards Association concluded, "We now have the right to starve equally."

The U.S. Supreme Court seems willing to make greater accommodation of the "free exercise" of religion in education by allowing indirect support from public funds so long as they are universally available to any students. To date, direct aid to religious schools in the form of grants or vouchers remains suspect. McCarthy (2000, p. 16) interprets this as judicial support for programs involving *private* action but not *government* action in supporting private schools. This interpretation coincides with Gurwitz's notion that that the local choice model implies that education is of more a private than social good.

The social welfare function approach adopted in Canada to allocate educational funds includes an emphasis on efficiency as well as equity. At the time provinces assumed control of school finance in the mid-1990s, both provincial and federal governments were coping with massive deficits. By making the education property tax a provincial tax, they

were able to "recapture" the revenue from assessment rich school districts and reallocate it to assessment poor districts, there by relieving pressure on provincial treasuries. As well, by becoming the sole paymasters for teachers, they may benefit from monopsony; i.e., paying salaries lower than would be demanded in a competitive free market.

U.S. school choice advocates also suggest efficiency is a goal; autonomous or privately managed schools, they suggest, will be more cost-effective than schools run by bureaucracies. This approach is the opposite of that adopted in Canada where provinces appear to hope that they can bring some of WalMart's magic in linking size to efficiency. Ontario amalgamated the six school districts in Metropolitan Toronto to form a single district with 300,000 students and reduced the number of school districts in the province from 128 to 62. On the other hand, operating two or three parallel, non-competitive systems of schooling is inherently inefficient.

Two decades ago, policy analysts connected the state of Canadian and American school systems with the state of their economies, which were at the mercy of Asian "dragons." Reform movements developed that, in the U.S., culminated in a focus on choice in education as a mechanism of improvement. Choice has not gained the same hold on Canadian education policy, where strong directives from provincial governments have been the preferred instruments. Choice in Canada is viewed predominantly as a mechanism for equity among groups that have collective educational rights. These divergent patterns of development bespeak somewhat different systems of government and social values. The distance between the two likely will grow as the American trend toward greater choice continues and as the centralizing effects of Canadian school reforms are institutionalized. The consequent effects may prove to be marginal or substantial, depending on the relative success of the reforms at achieving their educational and social objectives. One might

suspect that the dynamism of Yankee individualism will trump Canadian conservatism, but the stress of social tensions inherent in competitive environments may yield to the orderliness of well-tended Canadian institutions.

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Tables

Figure 1: Options for Production and Purchase of Education

		Purchase	
		Public	Private
Production	Public	I	II
	Private	III	IV

Figure 2: Constitutional Authority for K-12 Education by Level

	Canada	United States
Federal	0%	0%
Provincial/State	100%	100%
Local	0%	0%

Figure 3: K-12 Funds by Level, Canada (1986-87) and United States (1993-94)

	Canada	United States
Federal	3%	7%
Provincial/State	63%	46%
Local	34%	47%

Figure 4: Typical System of K-12 Finance

Revenues per pupil/unit

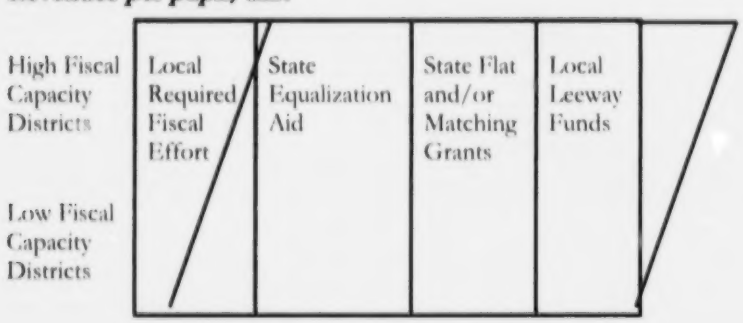

Figure 5: Policy/Process Space for Governmental Action

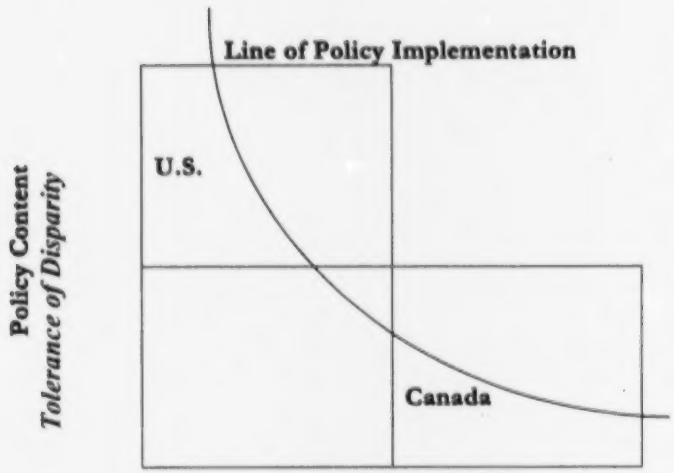

Figure 6: Within State/Province Disparity (Coefficient of Variation or CV)

Canada (1975)		United States (1990)	
Prince Edward Island	.04	Hawaii	.00
Newfoundland	.06	Nevada	.11
New Brunswick	.09	Utah	.13
Ontario	.12	Florida	.10
Nova Scotia	.14	New Mexico	.17
		Arizona	.21
		California	.17
		New York	.22
Canadian Average	*.09*	*U.S. Average*	*.17*

Figure 7: Expenditures Per Pupil by Province and State in $US, 1992

Canada		United States	
Ontario	**5848**	**New Jersey**	**9317**
Quebec	**5786**	**New York**	**8527**
Manitoba	**5403**	**Michigan**	**6268**
British Columbia	**5326**	**Ohio**	**5694**
Alberta	**4929**	**Washington**	**5217**
New Brunswick	**4642**	**Nevada**	**4929**
Saskatchewan	**4546**	**California**	**4746**
Newfoundland	**4389**	**Arizona**	**4381**
Nova Scotia	**4227**	**New Mexico**	**3765**
Prince Edward Island	**4185**	**Utah**	**3040**
Average	***4928***	***Average***	***5329***
CV	***0.13***	***CV***	***0.25***

Figure 8: Types of Human Rights

		Government	
		Negative Right	**Positive Right**
Citizens	**Individual Right**	Government *shall not* do to the *individual*	Government *shall* do for the *individual*
	Collective Right	Government *shall not* do to the *group*	Government *shall* do for the *group*

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